



**Public Protection Administration of Justice Member Services
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The State Bar of California

Annual Report | 2009

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<i>Message from the Executive Director</i>	1
PUBLIC PROTECTION	
Admissions	2
Chief Trial Counsel	3
Probation	4
Client Security Fund	5
State Bar Court	5
ADMINISTRATION OF JUSTICE	
Access and Fairness	6
Governmental Affairs	7
Legal Services	7
Commission on Judicial Nominees Evaluation	8
MEMBER SERVICES	
Member Services Center	8
Mandatory Fee Arbitration	9
Lawyer Assistance Program	10
Bar Relations	10
PROFESSIONAL DEVELOPMENT	
Legal Specialization	11
Professional Competence Ethics Hotline	11
Section Education and Meeting Services	12
California Young Lawyers Association	13
ADMINISTRATIVE SUPPORT	
Finance	13
General Counsel	14
Human Resources	15
Operations	16
Information Technology	16
COMMUNICATIONS	
Media & Information Services	16
<i>Organizational Chart</i>	18



The State Bar of California believes in:

VALUES

Serving the Administration of Justice

- The independence of the judiciary as the third branch of government.
- Equal access to justice.
- Civility and professionalism.

Serving the Public

- Helping attorneys better serve their clients.
- Protection of the public.
- Public service through pro bono representation.

Serving Attorneys

- Effective self-governance.
- Diversity and broad participation in bar membership and leadership.
- Fiscal responsibility.
- Protection of the legal profession by ensuring the highest levels of competency.



***The purpose of the State Bar of California is to preserve
and improve our justice system to assure a free
and just society under law.***

—The State Bar's Mission Statement

MESSAGE FROM THE EXECUTIVE DIRECTOR

The following pages contain highlights of the State Bar's work in 2009. We faced some challenges last year, but we also made significant headway in our aim to protect the public, enhance the legal profession and build a more accessible State Bar.

In the wake of California's housing crisis last year, many desperate Californians turned to the State Bar for help—and we responded. It began with a flood of calls from distressed homeowners. Many complained that they had paid attorneys in advance for loan modification services, but had received little or no service in return. As our investigators' caseload grew—eventually up more than 80 percent over the previous year—we created a special task force to aggressively pursue lawyers involved in misconduct related to loan modification services. By year's end, nearly 20,000 files had been removed from the offices of attorneys whose loan modification practices had been shut down and at least 17 attorneys had resigned or been placed on involuntary inactive enrollment. At the same time, our member-financed Client Security Fund, which reimburses victimized clients for some of their losses, scrambled to handle a nearly fourfold jump in reimbursement claims that, in most cases, involved loan modification services.

We reached out to struggling Californians in other ways as well. To encourage and promote pro bono legal work, we successfully urged the Supreme Court to adopt an emergency measure that permits attorneys to provide short-term legal assistance through legal services programs with no expectation or requirement that they represent such clients beyond the limited scope of services. By easing the prohibition on potential conflicts of interest for this type of legal work, the new rule gives more State Bar members the chance to volunteer their help to the thousands of Californians now facing legal crises in the economic downturn. We also sponsored a forum to train advocates from numerous non-profit legal services programs on how to combat foreclosures and foreclosure-related evictions. And we helped maintain a website—ForeclosureInfoCA.org—that answers consumer questions and lists training and volunteer opportunities for lawyers.

On other fronts, our State Bar Court closed 17 percent more cases last year than in 2008. Our Lawyer Assistance Program (LAP) assisted 988 attorneys—the largest number to date—with substance abuse and mental health issues, while reducing program expenditures and expanding its services to a broader pool of participants. Our Member Services Center redesigned and expanded Calbar Connect, our members-only website, to provide more products, services, exclusive offers and discounts to State Bar members. And to help Californians better understand their legal rights and responsibilities, we distributed more than 1 million consumer pamphlets and guides in English and Spanish, including more than 500,000 free copies of the popular, newly revised *Seniors & the Law: A Guide for Maturing Californians*.

In late 2009, the loss of our funding authorization threatened to derail some of our important work. However, it also prompted us to take a hard look at our budget and spending practices. With our funding restored in early 2010, we now look forward to another productive year. Our new website—redesigned and more consumer-friendly—is set to launch soon. And we continue to look for better, more efficient ways of protecting the public, assisting our members and improving the State Bar's service to all Californians.



Judy Johnson

Executive Director, The State Bar of California

As gatekeeper to the profession, the Office of Admissions develops and administers the California Bar Examination and the First-Year Law Students' Examination, conducts applicant moral character investigations, accredits and registers law schools and supports the Committee of Bar Examiners in carrying out its functions. It also oversees a variety of special admissions programs that permit qualified individuals who are not State Bar of California members to practice law in California under limited circumstances and law students to gain legal experience in a supervised environment. The office is funded entirely by applicant fees, the sale of study aids, accreditation fees and interest income.

Accomplishments/New Developments

In 2009, the Office of Admissions:

■ **Certified 6,766 applicants as eligible to practice law in California**, down from 7,216 applicant certifications in 2008.

■ **Administered the California Bar Examination**, which includes the General Bar Examination and the Attorneys' Examination, to 13,441 law school graduates and out-of-state attorneys (4,445 in February and 8,996 in July). While the State Bar saw an increase in applications to take the examination in 2009, the number of applicants who actually took it dropped from the previous year. Of those tested, 726 applicants with disabilities were granted testing accommodations (621 actually took the exam at a testing accommodations test center). In February, 34.5 percent of the applicants passed the examination, down from 39.6 percent in February 2008. In July, the pass rate was 55.5 percent, down from 61 percent in July 2008.

■ **Administered the First-Year Law Students' Examination** to 1,400 law students (729 in June, 671 in October), slightly fewer students than in 2008.

(Students who are enrolled in an unaccredited law school or who attended college for less than two years before entering a California-accredited or ABA-approved law school must pass this exam after their first year of law study.) Of those tested in 2009, 48 law students with disabilities took the exam at testing accommodations test centers. In June, 21.5 percent of the law students passed the exam, down from 25.9 percent the previous June. In October, the pass rate was 19.1 percent, up from 14.7 percent in October 2008.

■ **Conducted background checks** on 8,898 applicants (324 fewer than in 2008). Processed another 128 such applications from attorneys seeking to register under the Multi-Jurisdictional Practice rules, which allow out-of-state attorneys to practice law in California in limited circumstances. Assisted the Committee of Bar Examiners in its review of 302 investigative reports (up from 243 in 2008) and conducted 119 informal conferences with moral character determination

applicants (up from 97 in 2008). The number of applicants receiving adverse moral character determinations also increased, from 38 in 2008 to 48 in 2009.

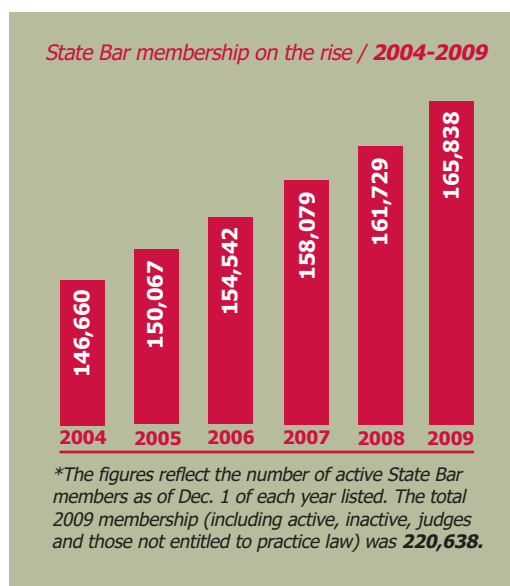
■ **Revised bulletins** entitled *Statement on Moral Character Requirement for Admission to Practice Law in California and Factors that May Be Taken into Consideration When Evaluating the Rehabilitation of an Applicant Seeking a Moral Character Determination*.

■ **Adjusted admissions fees** (effective January 1, 2010, January 1, 2011 and January 1, 2012).

■ **Received board approval** for administrative changes to the admissions rules.

■ **Implemented revised rules for accredited law schools**, which converted the old accreditation rules to the State Bar's plain English standards. Adopted new guidelines for the interpretation of the *Accredited Law School Rules*, effective in 2010.

■ **Visited eight unaccredited law schools** (six fixed-facility, one distance learning and one



correspondence), and one accredited law school.

■ Supported the Committee of Bar Examiners in its review of **44 law school reports**. These included reports on law school visits, major change requests submitted by the law schools and proposed notices of noncompliance.

■ **Made 14 visits to California law schools** to discuss admission requirements.

■ **Processed 2,900 pro hac vice applications**, 800 initial out-of-state attorney arbitration counsel applications, and 1,840 student certification applications through the Practical Training of Law Students Program (in addition to approving 830 extensions).

SPECIAL ADMISSIONS

● **The Multijurisdictional Practice Program (MJP)** allows out-of-state attorneys who live in California to register and perform limited legal services for particular corporations and legal services organizations. It also allows out-of-state attorneys to come to California to temporarily engage in limited work involving certain litigation and non-litigation matters.

● **The Pro Hac Vice Program** permits out-of-state attorneys to appear in California state courts as counsel pro hac vice if certain conditions are met.

● **The Out-Of-State Attorney Arbitration Counsel Program** allows out-of-state attorneys to appear in non-judicial arbitrations in California after obtaining approval from the State Bar and others through an application process.

● **The Military Counsel Program** allows out-of-state attorneys serving as judge advocates in California to represent military personnel in California courts on a limited basis.

● **The Foreign Legal Consultant Program** allows attorneys who are licensed to practice law in a foreign country (and who meet certain criteria) to register to practice the law of that country in California.

● **The Practical Training of Law Students Program** allows law students who meet certain requirements to provide legal services and gain firsthand experience under a California attorney's supervision.

CHIEF TRIAL COUNSEL

The State Bar's attorney discipline system is designed to protect the public, the courts and the profession from attorneys who violate the professional standards that govern attorney conduct in California. The bar's Office of the Chief Trial Counsel (OCTC), which handles complaint intake, investigations/trials, central administration and probation, is the disciplinary enforcement arm of this system. Selected by the State Bar and confirmed by the State Senate, the Chief Trial Counsel (CTC) reports to the Board of Governors' Committee on Regulation, Admissions and Discipline (RAD) on substantive policy issues and is responsible for the overall structure, goals and management of OCTC.

■ The **toll-free Attorney Complaint Hotline** (1-800-843-9053) offers an extensive "voice tree" aimed at assisting callers with common questions and problems. Callers who need further assistance are directed to **OCTC's Intake Unit**, which consists of complaint analysts, attorneys and support staff. This unit provides membership information and responds to general questions about attorneys and State Bar programs. The Intake Unit is also the starting point for consumers seeking to file a complaint against an attorney. Complaints initially are evaluated to determine if they involve a violation of California's professional standards. If a formal investigation is warranted, the file is transferred to an **Investigations/Trials Unit**. In addition, the Intake Unit addresses other matters, through education and informal mediation, which do not rise to the level of a formal investigation. And the Intake Unit processes information that attorneys must self-disclose (Reportable Actions) under *Business and Professions Code* § 6068(o).

Calls to the toll-free attorney complaint hotline

2005	2006	2007	2008	2009
70,902	72,916	73,259	73,473*	92,039

**This number is incomplete. Only a third of the data for May was captured. Also, telephone calls are no longer the primary indicator of the Intake Unit's workload. The State Bar's website contains extensive information about the attorney discipline system and a digital attorney complaint form. From July of 2004 to December of 2008, roughly 256,300 complaint forms were downloaded. In 2009 alone, 73,314 forms were downloaded.*

■ If the matter is not resolved at the investigation stage, a State Bar attorney in an **Investigations/Trials Unit** prepares a formal *Notice of Disciplinary Charges* and files it with the State Bar Court. The Investigations/Trials Units are also responsible for the prosecution of conviction referral matters, probation revocation proceedings and other regulatory proceedings within OCTC's jurisdiction. They handle reinstatement proceedings following disbarment or resignation and moral character admissions proceedings as well. And they are responsible for presenting matters on appeal before the State Bar Court Review Department.

■ OCTC also administers the bar's **Ethics School and the Client Trust Accounting School** and coordinates efforts to address the disposition of client files abandoned by deceased or missing attorneys.

Accomplishments/New Developments

In 2009, the Office of the Chief Trial Counsel:

■ **Aggressively pursued lawyers engaged in professional misconduct targeting vulnerable**

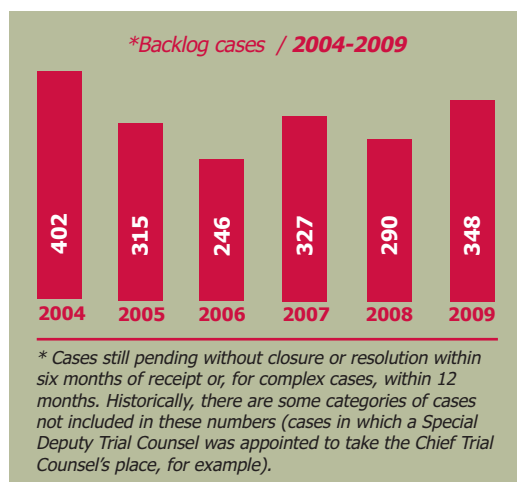
homeowners. A new *Loan Modification Task Force* handled more than 1,250 complaints of such misconduct in 2009 and, by year's end, was investigating some 250 lawyers. This amounted to roughly 135 cases per task force investigator. In addition, State Bar staff removed nearly 20,000 files from the offices of attorneys whose loan modification practices had been shut down. And by the end of 2009, at least 17 attorneys had resigned or been placed on involuntary inactive enrollment.

■ **Modified its computer screens for more detailed tracking of attorneys' reportable actions.** A 2007 California Commission on the Fair Administration

of Justice report on the professional responsibility and accountability of prosecutors and defense lawyers recommended that certain information involving reportable actions be included in the State Bar's annual discipline system report. The Office of the Chief Trial Counsel now anticipates including such information (the number of actions involving egregious conduct, for example, and the number involving prosecutors and defense lawyers in each county) in its 2010 annual discipline system report.

■ **Handled a dramatic jump in new investigations** (from 3,070 cases in 2008 to 5,661 matters in 2009) with the recent influx of cases involving attorney misconduct related to the housing crisis. In spite of the expanded caseload, however, the year-end backlog (see chart) grew by just 58 cases. For the fifth year in a row, the number of backlogged investigations remained under 400.

PROBATION



The Office of Probation monitors whether disciplined attorneys comply with conditions imposed in California Supreme Court and State Bar Court orders, including compliance with *rule 9.20* of the *California Rules of Court*. It also handles all probation revocation motions and probation modification requests (*Rules 550-554* of the *Rules of Procedure*), including modification requests of reprobation conditions, and compliance with Agreements in Lieu of Discipline.

Accomplishments/New Developments

In 2009, the Office of Probation:

■ Took an aggressive approach in supervising and enforcing compliance—referring 130 cases to OCTC for prosecution. In addition, the Office of

Office of Probation	2005	2006	2007	2008	2009
Files pending at reporting period end	800	857	940	867	782
Files opened	606	566	458	455	543
Files closed	559	481	377	529	619
Probation revocation motions filed	25	26	6	21	11
Referrals to OCTC for prosecution	129	97	115	136	130

Probation filed 11 motions to revoke probation.

■ Lodged 245 reports with the State Bar Court on attorney compliance with court-ordered Alternative Discipline Program conditions.

■ Hired a fifth probation deputy to help monitor probationers.

CLIENT SECURITY FUND

When an attorney steals from a client, the consequences can be devastating to the legal profession as a whole as well as to the individual client. The Client Security Fund helps soften that blow by reimbursing victims up to a certain amount for losses due to attorney theft or an act equivalent to theft. Financed with attorney dues, the fund is a cost-effective way of assisting victims for whom reimbursement would generally not be available from any other source. The fund also provides a unique opportunity to promote public confidence in the administration of justice and the integrity of the legal profession. Since its inception, the fund has reimbursed applicants some \$93 million. The California fund continues to receive and process more applications per year than any other such fund nationwide.

"My faith in the system has been restored! Your office is to be commended on a job well done . . ."

— Fund Applicant, 2009

Accomplishments/New Developments

In 2009, the Client Security Fund:

■ **Reimbursed more than \$3.4 million to victimized clients** on 378 approved claims. Of those, 215 related to unearned fees, 160 cases involved misappropriation, two were based on loans and one involved an investment.

■ **Increased the maximum reimbursement from \$50,000 to \$100,000** for losses that occurred on or after Jan. 1, 2009 and eliminated the "marriage penalty." (Spouses can now file separate applications for reimbursement.)

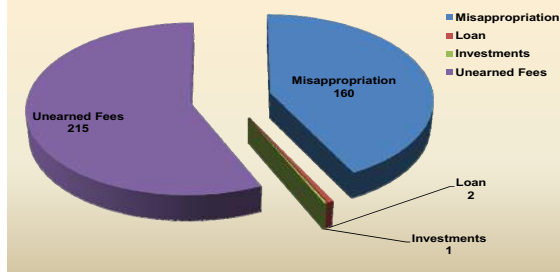
■ **Adopted new fund rules**, effective Jan. 1, 2010.

■ **Saw a nearly fourfold increase in the filing of new claims.** Applicants filed 3,028 new claims in 2009 (up from 825 in 2008). Of the claims still pending at the end of 2009, an estimated two out of three involved loan modification losses.

5-Year Summary of Applications Paid in Dollars

2009	\$3,461,950
2008	\$4,638,272
2007	\$4,352,110
2006	\$5,299,061
2005	\$4,648,584

No. of Applications Paid by Category in 2009



STATE BAR COURT

The State Bar Court serves as the administrative arm of the California Supreme Court in the adjudication of disciplinary and regulatory matters involving California attorneys. It is the State Bar Court's mission to hear and decide cases fairly, correctly and efficiently for the protection of the public, the courts and the legal profession. As the nation's first full-time attorney disciplinary and regulatory court, California's State Bar Court has the authority to impose public and private reprimands on California attorneys who are found to have violated the disciplinary provisions of the *California State Bar Act* or the *Rules of Professional Conduct* approved by the California Supreme Court. In cases involving more serious discipline, such as disbarment or suspension, the State Bar Court sends a discipline recommendation to the California Supreme Court for review and adoption.

Accomplishments/ New Developments

In 2009, the State Bar Court:

■ Filed 685 attorney disciplinary and regulatory matters.

■ Closed 695 disciplinary and regulatory cases (up 17 percent from 2008) and surpassed its goal of 100 percent closure rate.

■ Continued to work with attorneys who suffer substance abuse and/or mental health issues in the **Alternative Discipline Program (“ADP”)**. The ADP seeks to identify and refer respondents with substance abuse or mental health problems to the State Bar’s Lawyer Assistance Program for treatment and rehabilitation.

■ Continued to publish the *California State Bar Court Reporter* containing the published opinions of the review department in attorney disciplinary and regulatory proceedings.

■ Began posting all *Notices of Disciplinary Charges*, responses and decisions on the State Bar website.

2009 State Bar Court Closed Disciplinary Cases Dispositions

Disbarment	71
Summary Disbarment	10
Suspension	255
Reprovals	106
Dismissal	56
Termination	57
Revoke Probation	17
Probation	0
Extend Probation	0
License to Practice Canceled	0
Admonition	2
Deny Petition/Application	1
Withdrawn	1
Total	576

ACCESS AND FAIRNESS

The Office of Access and Fairness seeks to promote fairness in the legal profession through diversity pipeline initiatives.

Accomplishments/New Developments

In 2009, the Office of Access and Fairness:

■ Worked to expand the early education pipeline by promoting the Marshall Brennan Constitutional

Literacy Project at two workshops for California law schools. The Marshall Brennan Project sends trained law students into high schools to teach teenagers about constitutional law and their rights as citizens. In the wake of the workshops, five California law schools launched their own such projects and one expanded its existing program.

■ Held a **focus group meeting for college pre-law advisors and academic support staff** to identify various challenges in addressing the pre-law needs of college students, and the support/resources necessary to meet those needs.

■ Researched the process used to establish the *U.S. News and World Report’s* annual ranking of U.S. law schools and obtained the State Bar Law School Assembly’s support for urging the magazine to consider law school diversity in any future rankings.

■ Convened the **annual Diversity Stakeholder Forum** to raise key issues and discuss ways of overcoming the challenges to diversity in the legal profession.

■ Pushed for greater diversity in the judiciary by promoting strong local and minority bar judicial mentoring programs around the state; encouraging a broader pool of attorneys to seek judicial positions; and creating online “tips” to help potential candidates complete the judicial application form.

■ Updated diversity data and demographic information to reflect the current status of diversity along the “education pipeline” and within California’s legal profession.



GOVERNMENTAL AFFAIRS

The State Bar retains governmental affairs services on a contract basis in order to maintain a relationship with the legislative and executive branches of government. Funded solely with voluntary contributions, the 2009 activities included:

- **Identifying and tracking bills** that affect, or are of interest to, the State Bar.
- **Advocating for the State Bar Board of Governors' positions** on various non-ideological issues.
- **Providing technical assistance and information to representatives of the executive and legislative branches** on issues of relevance to the practice of law, the legal profession, and consumers of legal services.
- **Increasing state policymakers' understanding** of issues relating to the legal profession, the practice of law, and the State Bar's role in the administration of justice.
- **Performing similar tasks for the State Bar sections** (funded with voluntary section funds).
- **Working closely with interested stakeholders** on issues relating to court facilities and financing, court interpreters, legal services for the poor, and access to justice.

LEGAL SERVICES

The Office of Legal Services focuses on the delivery of legal services to the poor and those with a moderate income; improving the access to justice in the courts and administrative agencies; increasing the funding for legal aid programs; and administering certified lawyer referral services.

Accomplishments/New Developments

In 2009, the Office of Legal Services:

- **Responded to the recent foreclosure crisis** by

working with several organizations to maintain **ForeclosureInfoCA.org** as a resource for consumers with questions and attorneys interested



in volunteering assistance. Sponsored a **Foreclosure Forum**—funded with a California Bar Foundation grant—that trained 75 advocates from 22 non-profit legal services programs on how to combat foreclosures and foreclosure-related evictions. The forum also helped establish an advocates' network.

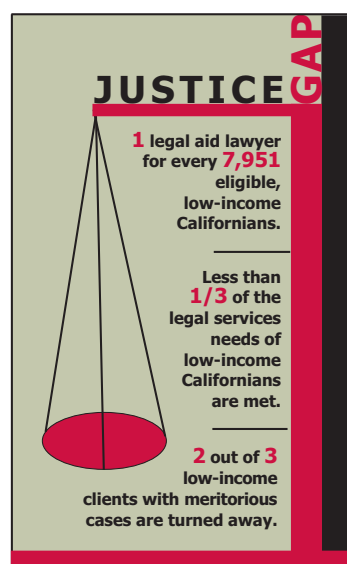
- Enrolled more than 80 attorneys (all on a temporary or permanent break from the practice of law) in the **Pro Bono Practice Program** (formerly the Emeritus Attorney Pro Bono Program). The State Bar waives bar membership fees and offers free and reduced rates for certain MCLE courses to eligible participants who provide pro bono services to indigents through a qualified provider.

- Worked with the Standing Committee on the Delivery of Legal Services (SCDLS) and the Public Interest Clearinghouse to convene the **second annual California Pro Bono Summit**, a strategic

planning session for pro bono representatives from large law firms, legal services programs and law schools. Also supported statewide events celebrating the **first national Pro Bono Week** in October.

- **Received more than \$800,000 in Justice Gap Fund donations** from 9,000 individual members of the bar and other contributors, with strong support from law firms, corporations and public agencies. Such funding

helps narrow the gap between the number of low-income Californians who need legal assistance in critical civil matters and the number who actually receive such help.



■ **Earmarked nearly \$14 million in IOLTA and Justice Gap Fund revenue** to be distributed through the Legal Services Trust Fund Program to 96 legal services and support programs serving indigent Californians (for the grant year beginning in July of 2009).

■ **Distributed another \$16 million in Equal Access Funds**, including \$1.6 million to fund 34 projects supporting partnerships between legal aid programs and local courts to help self-represented litigants.

■ **Launched a “Peak your Interest” campaign** through the Legal Services Trust Fund Program to encourage California banks that hold **Interest on Lawyers’ Trust Accounts (IOLTA)** to increase their interest rates to 1 percent and eliminate service fees to enhance legal aid funding for the indigent. During this period of historically low rates, the program generated \$800,000 more in IOLTA revenue by urging banks to pay higher than their legally required rate, and by urging attorneys to hold their IOLTA accounts at financial institutions that pay a higher rate of interest.

■ **Certified or recertified 60 lawyer referral services (LRS)** and collected more than \$100,000 in fees. Provided technical assistance to seven struggling services, granting them waivers to continue serving their counties. In 2009, more than 5,300 attorneys served on LRS panels at some 60 certified lawyer referral services that assisted approximately 175,000 Californians.

■ **Helped consumers find attorneys** by providing State Bar-certified lawyer referral service contact information via its website and a toll-free phone line. In 2009, some 37,000 callers used the phone line.

■ **Worked with the Commission on Access to Justice** to focus attention on the lack of legal aid resources in rural areas, the need to expand access to justice in administrative agencies, the importance of judicial support for pro bono work, and the critical role of legal representation for low-income Californians. Helped compile quantitative data and anecdotal information on the recession’s impact on legal aid programs and their clients.

The Legal Services Trust Fund Program (IOLTA)

The Legal Services Trust Fund was established by the Legislature in the early 1980s to provide money to help fund civil legal services for indigent Californians. By the end of the 2009-2010 grant year, more than \$329 million will have been distributed to legal services programs serving the poor statewide.

COMMISSION ON JUDICIAL NOMINEES EVALUATION

The State Bar’s Commission on Judicial Nominees Evaluation (JNE) evaluates all candidates who are under consideration for a judicial appointment by the Governor. Its mission is to assist the Governor in the judicial selection process by providing independent, comprehensive, accurate and fair evaluations of candidates for judicial appointment and nomination. Appointed by the State Bar’s board of governors, the volunteer commission is made up of attorneys and public members who represent a broad cross-section of California’s diverse legal profession and general population. The commission cannot nominate or appoint judges; it does, however, thoroughly investigate California’s judicial candidates under a code of strict confidentiality.

Accomplishments/New Developments

In 2009, the Commission on Judicial Nominees Evaluation:

■ Met a total of 10 days (in addition to two days of training) to **evaluate 175 candidates**, rating 146 as “qualified” or “well qualified,” 13 as “exceptionally well qualified” and 14 as “not qualified.”

■ Received **four requests to the JNE Review Committee for reconsideration**; two were rescinded, one was denied, and one is pending.

MEMBER SERVICES CENTER

The Member Services Center (MSC) is dedicated to improving service to State Bar members beyond the traditional fee-payment processing and discipline proceedings. MSC seeks to create a positive State Bar experience for all members, which, in turn, will enhance the bar’s image with its members.

Accomplishments/New Developments

In 2009, the Member Services Center:

■ **Provided direct phone support—and one-stop service**—to some 70,000 State Bar members who contacted the MSC.

■ **Redesigned CalBar Connect**, a centralized website that markets exclusive offers, discounts, products and services to State Bar members, and added four new affinity partners (bringing the total to 25). Royalties from the Professional Liability Insurance, Life Insurance and other programs generated more than \$1.75 million dollars to fund the Lawyer Assistance Program and other member services. CalBar Connect generated an additional \$350,000 in royalties that were given to the California Bar Foundation to help build a better justice system.



■ **Maintained the official attorney membership roll** by processing more than 75,000 transactions, including address changes, status changes, name changes and new admittee enrollments. Assisted more than 1,600 members with the membership fee waiver process.

■ **Launched an outreach campaign** that helped 181 suspended members take advantage of a time-limited **Fee Amnesty Program**. The program has recouped nearly \$123,000 in fees so far.

■ **Issued or renewed approximately 10,000 Law Corporation and Limited Liability Partnership certificates of registration.**

■ **Tracked MCLE compliance** of approximately 47,000 State Bar members, keeping the non-compliance level at less than 1 percent.

MANDATORY FEE ARBITRATION

The Mandatory Fee Arbitration Program is designed for attorneys and clients to resolve disputes over fees and costs outside of court. The program's aim is to provide a faster, less costly alternative to litigation in a confidential, consumer-friendly forum. In addition, the program diverts complaints that are solely fee disputes away from the attorney discipline system. Most fee arbitrations are conducted through local bar association programs. The State Bar's program:

■ Provides mandatory fee arbitration when there is no local bar program available and administers the Committee on Mandatory Fee Arbitration.

■ Trains local bar fee arbitrators and offers consultation to California's 44 approved local bar programs.

■ Publishes and distributes committee-issued arbitration advi-

sories for fee arbitrators and sponsors legal education and outreach programs for lawyers.

Mandatory Fee Arbitration Requests	2005	2006	2007	2008	2009
MFA requests filed with the State Bar	144	174	123	106	104
Cases assigned by local bar program*	1,661	1,475	1,546	1,718	1,549
Requests for enforcement of award	78	61	70	62	88

*Number of cases assigned to an arbitration panel or mediator by a local bar program (based on the number of reimbursement requests from local bars).

Accomplishments/New Developments

In 2009, the Office of Mandatory Fee Arbitration:

■ Presented **fee arbitrator training programs for 12 local bar associations**, providing free MCLE credit for attorney attendees.

■ Presented **five free MCLE programs** for local bar members on attorney fee issues.

■ Created a **new stipulated award form** to incorporate the settlement between the parties as an award. Revised the *Notice of Your Rights After Arbitration* form in light of new case law.

- Assisted a record-level number of clients with **enforcement of unpaid arbitration awards or judgments** (up 30 percent from 2008).

- Published a **new arbitration advisory** for fee arbitrators and **new program advisories** for local bar program administrators.

LAWYER ASSISTANCE PROGRAM

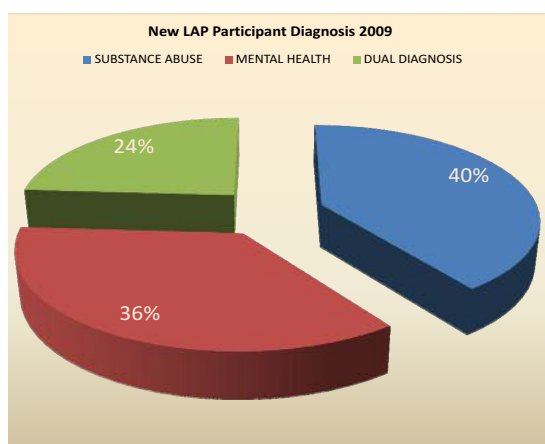
The Lawyer Assistance Program (LAP) provides confidential assistance to attorneys dealing with substance abuse or mental health issues. Professional and peer assistance is available through the LAP for attorneys who are experiencing a wide range of personal concerns.

Accomplishments/New Developments

In 2009, the Lawyer Assistance Program:

- Assisted 988 attorneys (up 20 percent from 2008)—541 of them through the LAP's structured recovery component, which consists of a written participation plan and, at a minimum, attendance at weekly group meetings.

- Served the largest number of attorneys ever, while reducing program expenditures by \$300,000.



- Conducted a series of **career-transition workshops** in Los Angeles and San Francisco that complemented LAP's individual career counseling services. These workshops offered guidance to members seeking employment or transitioning into a different area of legal practice.

- Created "**Support LAP**," which will allow the program to expand its services (without increasing staff) to a broader pool of participants. *Support LAP* is designed for attorneys who do not require as much oversight, monitoring and verification of program compliance as those in LAP's structured recovery component.

BAR RELATIONS

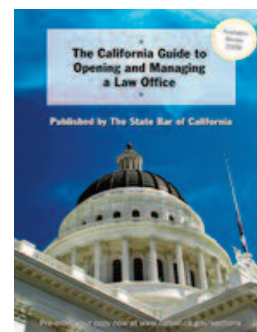
The Office of Bar Relations Outreach—funded solely through voluntary contributions to the Elimination of Bias / Bar Relations Fund—staffs the activities, programs and events of the Center for Access & Fairness and Bar Relations Outreach. These programs enable the State Bar to serve as a vital link between the bar and more than 270 local, minority and specialty bar associations.

Accomplishments/New Developments

In 2009, the Office of Bar Relations Outreach:

- Played a key role in **governance structure development** for a newly formed minority bar association and a reestablished county bar association.

- Spearheaded a discount sale of "*The California Guide to Opening and Managing a Law Office*" to local bar associations and their members. The discount was offered in conjunction with career development training to help attorneys weather the economic downturn.



- Worked with the Practising Law Institute (PLI) to provide free career training for struggling attorneys.

LEGAL SPECIALIZATION

The State Bar's Legal Specialization Program provides California attorneys with the opportunity to become certified as *specialists* in

Legal Specialization Program Certification Areas

- Admiralty and Maritime Law
- Appellate Law
- Bankruptcy Law
- Criminal Law
- Estate Planning, Trust and Probate Law
- Family Law
- Franchise and Distribution Law
- Immigration and Nationality Law
- Legal Malpractice Law
- Taxation Law
- Workers' Compensation Law

one or more legal areas. Managed by the Office of Admissions, the Legal Specialization Program offers certification in 11 areas of law (see adjacent box). To become certified, an attorney must pass a written examination, possess special education and experience, and undergo a peer review. Certified specialists must recertify every five years. Not all qualified attorneys seek such certification, however. Currently, some 4,235 attorneys have been certified as specialists

in these areas. In addition, the program has accredited five other organizations to certify that California attorneys have special qualifications in various other areas of law. Some 315 specialists have been certified by those accredited entities.

PROFESSIONAL COMPETENCE ETHICS HOTLINE

The Office of Professional Competence is responsible for administering programs that set and maintain high standards of attorney professional responsibility. Prevention of lawyer misconduct is a primary goal. A variety of programs and activities promote lawyer awareness of professional responsibility and help lawyers understand and comply with their ethical duties.

The Office of Professional Competence:

- Administers an **Ethics Hotline** that assists lawyers in researching professional responsibility authorities.
- Serves as staff to the board of governors, its committees, and special commissions and task forces involved in the development of proposed amendments to the *Rules of Professional Conduct* and other laws governing lawyers.
- Administers the **Committee on Professional Responsibility and Conduct (COPRAC)**, charged with the task of drafting and issuing the State Bar's advisory ethics opinions.
- **Publishes and distributes publications** (such as the *California Compendium on Professional Responsibility*) aimed at enhancing attorney professional responsibility.
- Sponsors **legal education and outreach programs** that instruct lawyers on attorney professional

MINIMUM CONTINUING LEGAL EDUCATION (MCLE) PROVIDERS PROGRAM — In California, attorneys are, with some exceptions, required to complete 25 hours of continuing legal education (MCLE) every three years. This includes four hours of legal ethics, one hour of detection/prevention of substance abuse or mental illness and one hour of elimination of bias in the legal profession. To ensure that lawyers receive quality legal education, the State Bar authorizes education providers to offer MCLE courses. Managed by the Office of Admissions, this program processed some 1,520 applications for provider status and individual course approval in 2009.

responsibility issues and promote awareness of the State Bar's professional responsibility programs and resources.

■ Maintains **Ethics Information Online**, an area of the State Bar's website that offers a wide range of online professional responsibility publications, research tools and other resources.

Accomplishments/New Developments

In 2009, the Office of Professional Competence:

■ Publicized the Supreme Court's approval of **two new Rules of Professional Conduct**. *Rule 1-650* addresses limited legal services programs and *Rule 3-410* requires written disclosure to clients when a lawyer does not have professional liability insurance.

■ Conducted **public hearings on two groups of proposed rule amendments** (in administering the work of the board's Special Commission for the Revision of the Rules of Professional Conduct). Received board approval on 35 additional proposed rules, subject to the public comment on the Commission's comprehensive final report.

■ Handled more than 23,000 calls to the **Ethics Hotline** and received 46 voluntary customer satisfaction surveys giving the service high ratings across all surveyed categories, including overall satisfaction, promptness of response, and usefulness of its materials.

Ethics Hotline: Types of Inquiries	2008	2009
<i>Fees and Costs for Legal Services</i>	17%	18%
<i>Attorney Advertising and Solicitation</i>	12%	13%
<i>Conflicts of Interest</i>	12%	11%
<i>Communications with Clients, Adverse Party and Others</i>	11%	10%
<i>Misconduct/Moral Turpitude/Trial Conduct</i>	6%	9%
<i>Client Confidential Information</i>	9%	7%
<i>Competence</i>	7%	7%
<i>Unauthorized Practice of Law</i>	6%	7%

■ Assisted COPRAC in publishing an **ethics alert article** addressing the applicability of certain *Rules of Professional Conduct* to situations in which a lawyer modifies a fee agreement with an existing client. Assisted COPRAC in issuing ethics opinions regarding a client's waiver of statutory attorney fees;

charging liens; and the settlement of a fee dispute with a client.

■ Conducted the **13th Annual Statewide Ethics Symposium** at the University of San Diego School of Law.

■ Received **more than 754,000 hits/downloads of key professional responsibility resources**.

The *Handbook on Client Trust Accounting* was downloaded 126,000 times, for example, and a COPRAC ethics alert article on the relationship between lawyers and non-lawyers in marketing loan modification services was downloaded more than 109,000 times.

SECTION EDUCATION AND MEETING SERVICES

The Office of Section Education and Meeting Services provides educational services for attorneys to enhance their professional skills and abilities.

Such services help fulfill the State Bar's mission to enhance the professional development of attorneys who practice law in California. As part of its role, the office administers and staffs the Council of State Bar Sections, providing assistance with educational programs, publications, meetings and related events, in accordance with its voluntary funding requirements. The office also produces a wide range

The State Bar's 16 voluntary, financially self-supporting sections include:

- Antitrust and Unfair Competition Law
- Business Law
- Criminal Law
- Environmental Law
- Family Law
- Intellectual Property Law
- International Law
- Labor and Employment Law
- Law Practice Management and Technology
- Litigation
- Public Law
- Real Property Law
- Solo and Small Firm
- Taxation
- Trusts and Estates
- Workers' Compensation

of publications to provide ongoing professional development resources, and staffs and coordinates the State Bar's Annual Meeting, Section Education Institutes and the bar's continuing education provider activities.

Accomplishments/New Developments

In 2009, the Office of Section Education and Meeting Services:

- Conducted the **second annual California Solo and Small Firm Summit**. More than 200 participants attended the summit, which featured networking events, mentoring circles, legal education and business management courses, and showcased products and services geared for the solo or small firm practitioner. The summit's overall objective was to offer strategies and tools for building a thriving law practice.

- Presented 379 **Continuing Legal Education (CLE)** in-person class programs (the equivalent of 686 hours of CLE) and made 988 online programs available (the equivalent of 1,297 hours of online CLE, 672 CLEtoGo podcasts and 830 hours of CLEtoGo).

- Provided **meeting support** for 80 section executive committee meetings, 175 section subcommittee meetings, four Council of Section Chairs meetings and four Board Sections Task Force meetings.

CALIFORNIA YOUNG LAWYERS ASSOCIATION

The California Young Lawyers Association (CYLA) offers lawyers and new practitioners an opportunity to become involved in their profession and to participate in public service. Created in 1965 as the State Bar's Conference of Barristers, the organization was renamed the California Young Lawyers Association in 1977. CYLA's 20-member committee is appointed by the bar's board of governors to advise the board on the interests of California's young lawyers, increase young lawyer involvement in the State Bar, and help develop programs and services that

would benefit the public and assist young lawyers in their professional and leadership advancement. CYLA holds a permanent seat on the bar's board of governors and has a history of advocating issues important to its membership. California attorneys who are in their first five years of practice or are 36 years old or younger are automatically registered as CYLA members.

Accomplishments/New Developments

In 2009, the California Young Lawyers Association:

- Developed a **Mentor Resource Clearinghouse** to support the professional development of young lawyers. After identifying the need for such resources in the 2007 Young Lawyer Survey and at the Spring Summit, CYLA surveyed organizations with mentoring programs around the state and posted a catalog of 22 such programs on the CYLA web page. The online catalog includes program descriptions, contact information and links.

- Co-sponsored a **child advocacy training session**. The training—part of an ongoing community service project funded by the California Bar Foundation—focused on practice skills and special education representation. Co-sponsored by the Santa Clara County Bar Association and the Law Foundation of Silicon Valley, the training was free to attorneys who volunteered pro bono representation in special education matters for Legal Advocates for Children and Youth (LACY).

FINANCE

The Office of Finance is responsible for the fiscal operations of the State Bar. Its staff provides financial planning and analysis, accounting, member billing and procurement.

Financial Planning and Analysis handles the annual budget development process. Staff provides fiscal policy analysis; develops indirect cost allocations; engages in salary planning and Memorandum of Understanding (MOU) negotiations; and forecasts future revenues and expenses.

Accounting maintains internal controls; implements accounting policies and procedures; prepares and reviews accounting transactions; manages cash flow and investments; prepares payroll; pays the bar's obligations; coordinates external audits; and prepares financial statements.

Member Billing is responsible for ensuring that attorneys are billed appropriately for annual fees and other costs. In addition to collecting and recording annual membership fees, staff responds to member inquiries; calculates and tracks discipline and Client Security Fund assessments; conducts the annual suspension process; and reinstates members (previously suspended for failure to pay annual fees) once they have paid.

Procurement ensures that all competitive bidding, legal and fiscal requirements are met in the State Bar's contracts with vendors. Procurement also provides vendor-sourcing assistance, general service advice to staff and credit card management.

Accomplishments/New Developments

In 2009, the Office of Finance:

- Worked with the Bureau of State Audits in its **biennial audit of the State Bar's discipline processes**.

- **Identified areas of risk to the bar** (with assistance from an outside consultant) and developed improvements to mitigate risk.

- **Conducted six staff training sessions** to ensure that internal controls are implemented and maintained in the cash-receipt processes.

- **Retained an outside auditor to fulfill the State Bar's internal audit function** and report to the board's audit committee.

GENERAL COUNSEL

The Office of General Counsel (OGC) is the State Bar's in-house counsel—providing legal advice, representation and services to the State Bar, its governing board, executive

director, senior executives and directors, staff, committees, commissions and other sub-entities. OGC attorneys:

- **Supply legal analysis and opinions** on laws, issues and proposed legislation relevant to the State Bar and its programs and activities.

- **Provide advice on contracts, government procurement requirements, employer-employee**

matters such as equal employment opportunity issues and employee disciplinary matters, and state laws pertaining to open meetings, public records and governmental privacy.

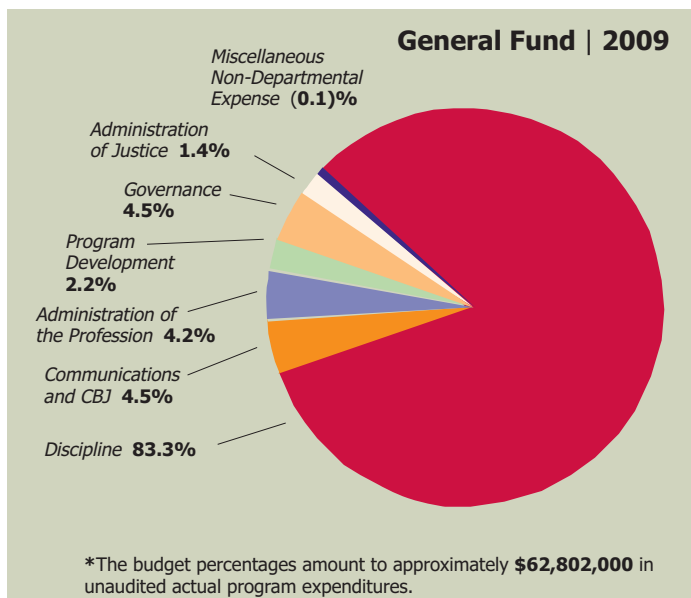
- **Handle matters in state and federal courts** and before administrative agencies.

- **Represent the State Bar** in discipline and admissions cases before the California Supreme Court.

General Fund: 2009 Program Expenditures*
(Dollars in Thousands)

Discipline	\$52,325
Administration of Justice	\$897
Governance	\$2,801
Administration of the Profession	\$2,624
Program Development	\$1,392
Communications (including the California Bar Journal)	\$2,855
Miscellaneous Non-Departmental Expense	(\$92)
Total	\$62,802

*These amounts represent unaudited actual program expenditures.



■ **Regularly attend meetings of the board of governors** and other committees and commissions to provide legal analysis and advice on pending matters.

■ **Draft, review and advise on contracts and other business transactions** for all State Bar offices and departments, including employment and labor relations, copyright, real estate and general corporate matters.

Accomplishments/New Developments

In 2009, the Office of General Counsel:

■ Successfully urged the California Supreme Court to adopt **an emergency measure that permits attorneys to volunteer short-term, limited legal help (through legal services programs) to struggling Californians with no expectation or requirement that they represent such clients beyond the limited scope of services.** By easing the prohibition on potential conflicts of interest for this type of legal work, *Rule of Professional Conduct 1-650* will enable more State Bar members to assist the thousands of Californians facing legal crises in the recent economic downturn.

■ Obtained California Supreme Court approval for a **new rule that requires State Bar members to create and use an online account to report mandated information.** The new rule—*California Rule of Court 9.7*—also requires members to provide an e-mail address to the State Bar. The bar generally would not be allowed to use e-mail as a substitute means of providing a notice regarding certain proceedings and actions. And members without online access or an e-mail address may claim an exemption to the new rule.

■ Successfully defended legislative changes **establishing that disciplined attorney costs (those levied against disciplined lawyers) are sanctions that cannot be discharged in bankruptcy.** The decision in *State Bar v. Findley* (2010) reversed a 2001 court decision that found such costs were dischargeable. It also confirmed 2003 legislative amendments (*Cal. Bus. & Prof. Code § 6086.10*) that render such costs non-dischargeable in bankruptcy.

■ Handled various **legal matters related to a former employee's embezzlement of State Bar funds.** This

included the filing of a civil action, preparation of a claim to the bar's bond carrier and assistance with the criminal prosecution. The bar has since recouped approximately \$787,800 in property sale proceeds and restitution from the former employee (who is now serving a 2-year-8-month prison sentence) and insurance payments.

HUMAN RESOURCES

The Office of Human Resources is responsible for providing the full range of human resource services to the State Bar. This includes personnel policy administration; the training, recruitment and retention of employees; Equal Employment Opportunity (EEO) and non-discrimination policy administration; classification and compensation analysis; benefit administration; human resource information system administration; organizational development; and employee and labor relations administration.

Accomplishments/New Developments

In 2009, the Office of Human Resources:

■ Administered approximately **570 positions** in San Francisco, Los Angeles and Sacramento.

■ Continued providing an extensive **two-day training program for executives and supervisors** on issues related to labor relations, sexual harassment and benefits.

■ Administered **union negotiations and implemented changes** in the Memorandum of Understanding (MOU) contract for 2009.

■ **Reduced the usage of temporary agency employees** throughout the bar and improved MOU compliance and contracting standards related to such workers.

■ **Eliminated the printing of paychecks.** Employee checks are automatically deposited into accounts and pay stubs are electronically available to employees.

■ **Increased usage of an employee self-service software application** and of software used for staffing requisitions and applicant tracking.

■ **Obtained a reduction in Workers' Compensation insurance premiums** based on a drop in claims from October 2008 through October 2009.

■ **Updated internal procedures** related to recruitment activities, benefit processing and transit programs to achieve control and consistency between the Los Angeles and San Francisco offices.

OPERATIONS

The Office of Operations provides a comprehensive range of administrative and facilities services that support the work of all State Bar departments. As the organization's administrative support arm, this office manages mail and courier services; document imaging and printing; reception and public inquiry; meeting and conference support; travel services; library and archive services; and the bar's risk management/insurance program. It also maintains the State Bar's offices and safeguards its physical assets by managing facilities operations; landlord/tenant relations; space planning and use; and safety and security programs.

Accomplishments/New Developments

In 2009, the Office of Operations:

■ **Maintained more than 300,000 square feet of office space** for State Bar staff and tenants.

■ **Supported 800 in-house meetings and events** and made 1,300 travel reservations for State Bar employees and volunteers. Printed, assembled and distributed 6 million pages of business and educational materials.

■ **Responded to 700 inquiries** from the legal community and general public about matters related to the State Bar, state government or legal resources.

INFORMATION TECHNOLOGY

Information Technology (IT) is responsible for the computing, telecommunications and resources that support the State Bar's work. To meet these responsibilities, IT assesses information technologies; recommends products and services that can be supported within resource limitations; coordinates the selection and implementation of technologies; and provides ongoing support for products and services that have been adopted.

Accomplishments /New Developments

In 2009, Information Technology:

■ **Helped redesign the State Bar's new website** to improve public and member access to State Bar information. The website will continue to evolve with additional features that will allow members to manage their accounts and profiles and help fulfill the State Bar's public protection mandate.

■ **Expanded the number of online services available to applicants, members and the public.** Online services reduce paper transactions and support the bar's "green" initiatives. Examples include the paperless meeting pilot projects launched by the Judicial Nominees Evaluation Commission and the Committee of Bar Examiners. These projects used one solution across departmental lines to streamline a common activity and reduce operational costs.

MEDIA & INFORMATION SERVICES

The Office of Media & Information Services provides bar members, bar associations, the media and the public with information about the State Bar, lawyers and the legal system through media relations, consumer information and public education. This includes the



California Bar Journal, the State Bar's website and consumer education guides such as *Kids & the Law*, *When You Become 18* and *Seniors & the Law*. The staff also coordinates responses to media inquiries and develops affirmative media and public relations strategies for the State Bar. In addition, the State Bar's Web editor provides editorial oversight for the content of the bar's website.

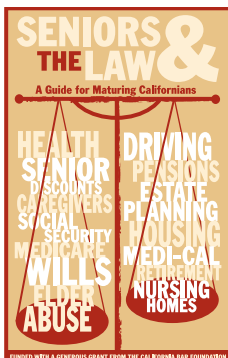
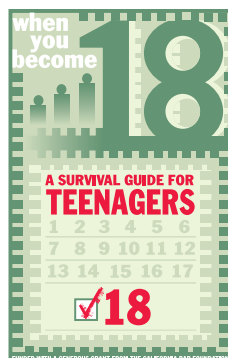
Accomplishments/New Developments

In 2009, the Office of Media & Information Services:

■ Educated California seniors about the

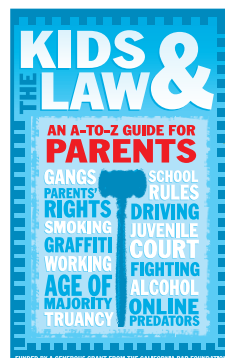
law—including new laws on identity theft and mortgage scams—by revising and distributing more than 500,000 free copies of *Seniors & the Law: A Guide for Maturing Californians*

in English and Spanish. Promoted the updated guide to senior centers, senior area agency offices, legislators and bar associations statewide, and presented it at senior conferences around the state.



■ Helped Californians understand basic legal issues (from employee rights to domestic violence laws to estate planning) through **wide distribution of various State Bar consumer publications in print and online**. Distributed nearly 300,000 guides geared for teenagers and another 250,000 parent/teacher guides focusing on laws that affect children, in addition to some 300,000 pamphlets from the State Bar's *Get the Legal Facts of Life* publication series.

■ Helped the news media understand the State Bar's work by responding to **4,000 media inquiries**.



■ Worked to make the State Bar's website more accessible to consumers and members by **spearheading a redesign of the site**. The more consumer-friendly site will be launched in 2010.

■ **Expanded the readership of the *Law Student e-Journal* to 5,500 in its third full year.**

This free electronic journal seeks to keep students informed about the workings of the State Bar, changes in the admissions process and other issues that might impact them. It also gives State Bar entities and local bars an opportunity to provide future attorneys with information.



The State Bar of California

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